



CITY OF CLAWSON

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January 30, 2018

Chairman Freman Hendrix
Great Lakes Water Authority
735 Randolph, Suite 1900
Detroit, MI 48226

Re: Class Action Settlements Potentially Impacting GLWA Rates

Dear Chairman Hendrix:

I want to express my profound concern about the settlement of the *Michigan Warehousing LLC v City of Detroit* and *United House of Prayer* lawsuits and their impact on my community. I understand that the GLWA administration participated in mediation for settlement of the *Michigan Warehousing LLC* class action lawsuit and agreed, without the Board's knowledge, to GLWA paying 50 percent of the \$29.5 million settlement. Prior to that, the GLWA administration agreed to pay \$4 million of the settlement costs for the *United House of Prayer* class action without the Board ever being apprised of the matter. How these settlement liabilities are allocated will greatly impact the water and sewer rates the residents of my community pay.

I understand the Board has resolved to go to arbitration to determine several issues, one of which is the allocation, but I strongly urge you to take action to allocate these liabilities exclusively to DWSD-R as, for example, in the *Michigan Warehousing LLC* matter this liability is due to the drainage charges paid by customers of the City of Detroit. This liability cannot be allocated to "common-to-all" due to the very definition in the lease agreements. In short, no benefit to the suburban customers exists.

Please feel free to contact me to discuss my request further. I can be reached at (248) 435-4500 ext 111.

Sincerely,

Mark W. Pollock
City Manager/Finance Director
City of Clawson

cc: Sue F. McCormick, GLWA CEO

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